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Approved For Release 2004/07/08 : CIA-RDP80M00596A000200010001-3

25X1

22 January 1979

MEMORANDUM FOR: Director of Central Intelligence

FROM:

Acting Deputy to the DCI for Resource Management

SUBJECT: Final Sign-Off on Your Annual Report

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1. Action Requested: That you do any final scan of the attached galley proof of your Annual Report that you wish, and sign off on several proposed changes in your own precis of the year (Part I) entered since you approved the edited text.

2. Background:

a. We have taken several specific substantive suggestions from your Deputies and senior Intelligence Community managers on topics in your precis of 1978 in Intelligence (Annual Report Part I). For your review they are, in order (see passages marked in galley):

(1) In E.O. highlight #5, Counterintelligence, end of first paragraph, rewrite suggested by John McMahon to reflect: that the SCC(CI) has not been the principal catalyst of improved FBI/CIA liaison; that 1978 marked a further enhancement of FBI/CIA relations, not a revitalization; and that the increase in personal contact is at your (Directors') level--greatly increased contact has been going on at working and management levels for several years. OK ☐ No ☒ *see change*

(2) In E.O. highlight #6, Restrictions, last sentence of second paragraph: should charter legislation not "dove-tail," existing E.O. would, of course, have to be changed to accord with law; your Legislative Counsel has suggested this "balance of guidelines and flexibility" language which we believe is your view. OK ☒ No ☐

(3) Relations with Congress, end of first paragraph: a sentence is inserted on surveillance legislation; your Legislative Counsel thought it might cause offense to

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highlight Congressional legislation cooperation without mentioning this prominent 1978 effort. ☐

OK ☒ No ☐

(4) In your 17 January staff meeting, the DDCI raised sensitivity to "openness" and suggested Herb Hetu review Part I in that light. He has done so; the word occurs only twice in the first paragraph on relations with The Public; he suggests changing "openness" to "candor" in the first sentence; the word "openness" has been dropped in the next sentence as grammatically unnecessary. ☐ OK ☐ No ☒ *see change*

(5) DIA and AF have raised 11-3/8 "net assessment" concerns in the Annual Report context in connection with the first paragraph in Estimating. We have advised them that in your Annual Report you are likely to wish to state only your own strongly held views on the appropriateness, indeed usefulness, of carefully caveated force comparisons in estimates. Should you wish to bow to DoD concerns, you could insert a sentence to the effect that some disagreement exists over the degree to which it is appropriate for the Intelligence Community to get into force comparisons. ☐ Leave as is ☒ Add sentence ☐

(6) In the paragraph on Predicting Political Upheavals (Iran), the sentence "In Iran, clearly we were inhibited by our desire not to undercut a friendly government...." has been deleted at John McMahon's suggestion because in the Iran case a decision was made back in 1976 to try to collect on internal opposition. The general statement stands without the Iran example. ☐ OK ☒ No ☐

(8) Just after that, a paragraph on the ☐ has been inserted at ☐ suggestion in view of the prominence of Presidential and Congressional concern in 1978. ☐ OK ☒ No ☐

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(9) In the fourth paragraph in the same section on National/Tactical Interface, we are inserting a sentence on the relationship with EUCOM re Warsaw Pact troop rotation at Les Dirks' suggestion. In the next sentence, both Bobby Inman and RM wonder whether you would rather say "Our ability to develop the proper balance between national and tactical capabilities is very important; it is also...." instead of "Our ability to develop capabilities to fill commanders' needs is very important."

☐ Leave as is ☒ Change *as indicated*

b. The only substantive Part II changes since you last reviewed the draft are: ☐

☐

-- We deleted the last two paragraphs in the National/Tactical Interface discussion in Part II. ☐ thought he had captured your view on funding in those paragraphs; since he obviously didn't, you and he need to discuss this complex topic further (and a funding statement is not essential in the Annual Report context). ☐

3. Recommendation: If you can review changes tonight, we and the printers are hopeful of meeting the HPSCI 25 January deadline. ☐

Attachment:
Galley Proof ☐

cc: DDCI w/att

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Subject: Final SIGN-Off on Your Annual Report

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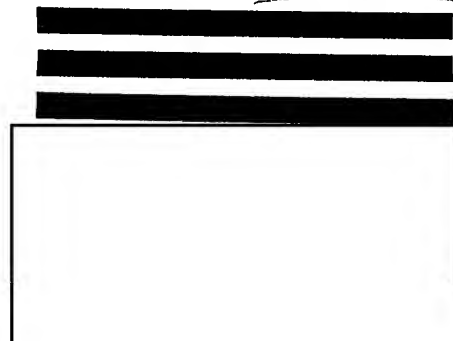
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Copy 2 - DDCI w/att
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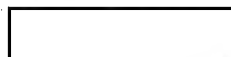
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dark blue print)*

Report on the Intelligence Community

By The Director
of Central Intelligence

Calendar Year 1978

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January 1979

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Next 1 Page(s) In Document Exempt

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PAGE

/ I. THE YEAR 1978 IN RETROSPECT / *bold face*

IMPLEMENTATION OF THE NEW EXECUTIVE ORDER
 Priorities
 Budget Preparation
 Intelligence Collection
 Production of Intelligence
 Counterintelligence
 Restrictions

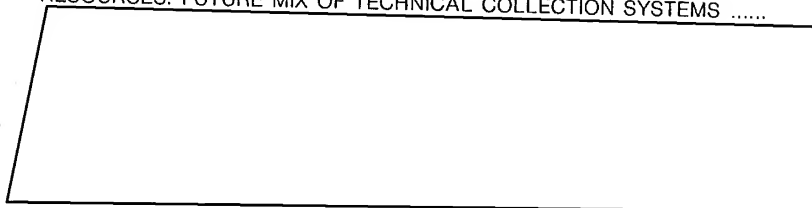
RELATIONS WITH THE CONGRESS, THE EXECUTIVE AND THE PUBLIC
 The Congress
 The Executive Branch
 The Public

SUCCESSSES AND DISAPPOINTMENTS IN 1978
 Estimating
 Teamwork
 Security
 Predicting Political Upheavals
 Support to Congress

THE PROSPECT FORWARD

/ II. KEY ISSUES OF PARTICULAR CONCERN / *bold face*

RESOURCES: FUTURE MIX OF TECHNICAL COLLECTION SYSTEMS



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QUALITY OF ANALYSIS AND POLICY SUPPORT
 The Core of the Problem

SECURITY AND COUNTERINTELLIGENCE
 The Scope of the Problem
 What We Are Doing: Management

Legal and Legislative Aspects
Protecting Ourselves
FBI's Counterintelligence Program
CIA's Counterintelligence Program
DoD's Foreign Counterintelligence Program
Industrial Security

AUTOMATIC DATA PROCESSING
 What We Have Accomplished: Management
 ADP Use in Support of Analysts
 ADP Use in Processing of Intelligence
 Much Remains to Be Done

NATIONAL/TACTICAL INTERFACE

ANNEX

Covert Action
CIA Inspector General Activities

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